

INFLUENCE OF MICRO FINANCE SERVICES ON GROWTH OF WOMEN OWNED ENTERPRISES IN RWANDA: A CASE OF RUBAVU DISTRICT

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Abstract: Micro finance plays a major role in many gender and development strategies because of its direct relationship to both poverty alleviation and to the empowerment of women. Empirical indications are that the poor can benefit from micro finance from both an economic and social well-being point of-view. Women in the world account for the highest economic growth through the economic activities they engage in. The failure of many of these women, especially those from the rural areas, to exploit fully the credit facilities offered to them by the Micro finance institutions may influence the growth of women owned enterprises. Thus, this study established the effect of interventions provided by microfinance institutions on growth of women owned enterprises in Rubavu Gisenyi. The study was guided by the following objectives: to assess the extent to which access to credit facilities from microfinance institution influence the growth of women owned enterprises; to examine the influence of micro savings from microfinance institutions on growth of women owned enterprises; and to establish the influence of training and advisory services from microfinance institutions on growth of women owned enterprises. The study was explanatory in nature and on a target population of 1200 women enterprises within the region. A sample of 120 women entrepreneurs was selected. Stratified random sampling was employed and data gathered by use of Questionnaires, document analysis and observation. Validity and Reliability of the instruments was tested using the test retest methods. With the aid of Statistical Package for Social Science version 21.0, both descriptive statistics such as the means, modes, standard deviation, variances and inferential. There was a positive effect of access to credit facilities from microfinance institutions to growth of women business enterprises. The access to loan facilities has the highest association with the growth of women business enterprises compare to other variables. There was a positive association between trainings and investment advisory service and microfinance institutions influence growth of women enterprises. However, the association was lower than loan access though it was higher than micro savings. There was an association between micro savings and the growth of women enterprises though it was lower than access to savings and trainings and investment advisory service. The recommendations of the study are that the financial institutions should increase the amount of loans to the women enterprises as the data in this study had shown that the loans allocated were not sufficient. This would improve the women enterprises. The leaders in the women enterprises should be trained and advised more on investment as the results in this study indicated that investment advisory was moderate.

Keywords: Growth, Women owned enterprises, Financial performance Microfinance, Women entrepreneurship, Entrepreneur, Small and medium enterprises.

1. INTRODUCTION

1.1 Background of Study:

According to Amin and Pebley (2014), microfinance is the provision of a broad range of financial services to poor low-income households and micro enterprises. Research interest in access to microfinance particularly by women has been on a rising trend in recent times.

Microfinance is defined as the provision of a broad range of financial services to poor low-income households and micro enterprises (Amin & Pebley, 2014). Research interest in access to microfinance particularly by women has been on a rising trend in recent times.

Bennet & Goldberg 2013) asserts that in developing economies, low-income women are often victims of societal suppression and abuse; while their counterparts in developed economies are victims of lending discrimination. It is therefore argued that lending to women may help empower them economically and socially. Thus, given the status of women, particularly in developing countries, their empowerment has become a development agenda at both global and country level in recent years especially since the

In recent years, the general attention to women and entrepreneurship in developing countries has increased to a great extent and the focus on this 'untapped source' of growth seems to be indispensable nowadays for development practitioners and policy makers (Minniti & Naudé, 2010). However, despite this growing number of initiatives and resources made available to promote and develop women's entrepreneurship in developing countries, women still own and manage fewer businesses than men, they earn less money with their businesses that grow slower, are more likely to fail and women tend to be more necessity entrepreneurs

In Rwanda, the micro finance industry can be traced back to mid-1980 whereas the sector gained the status of an industry only in the last 15 years. The government of Rwanda has indirectly provided a boost to the micro finance sector by promoting the small-scale enterprise sector as a means of accelerating economic growth and generating employment opportunities, thus empowering women. The government through the budget and in an endeavor to improve the livelihoods of youth and women has established youth and women fund (Women Enterprise Fund-WEF) and of late the informal sector fund as an economic stimuli programme.

Micro finance is the solution as a driving element towards financial growth of women partaking on form of business, most especially women in Rwanda as per the case study. According to Anyawu (2013), the inability of the SMEs to meet the standard of the formal financial institutions for loan consideration in Rwanda provides a platform for informal institutions to attempt to fill the gap usually based on informal social networks. Thus, the recent poverty eradication program in Rwanda is focused on sustainable development through small business development, as the Government of Rwanda focus on much interest placed on the development of the private sector, being the pillar of poverty eradication at all levels in the society (RDB, 2014). The Rwandan economy is based on the largely rain fed agricultural production of small, semi subsistence and increasingly fragmented farms with large involvement of women, the micro-credit projects spearheaded the Rwandan government is focused on the improvement of communities' livelihoods. This is to be achieved by contributing to effective poverty reduction and complimentary economic development activities for sustainable financial empowerment especially through small and medium businesses.

1.2 Statement of the Problem:

Though there is improved access to credit by SMEs overtime in Africa, SMEs have continued to suffer financial challenges. For this, existing research indicates that 50% of the SMEs operate in a financial deficit and some of the SME owners are still uncomfortable with such credit extended to them, (Auren & Krassowska, 2014). The SMEs have registered a low return on capital employed, low net profit margin and kept a small capital size and some of them fail to run their daily operations because they do not have the capacity to maintain adequate liquidity levels Chowdhury (2012). As such, the relationship between the MFIs and SME keeps on deteriorating due to failure to fulfill their loan obligations O'brien (2009). This could be due to the stringent credit terms to include interest rates, collateral securities, and loan repayment schedules among others which seem to frustrate businesses financially.

Micro finance institutions have come up to provide interventions that enable women to overcome some of the obstacles such as access to micro credit to fund their new ventures and or expand existing ones. However, generally, the concept of women empowerment has not been effectively addressed as the women entrepreneurs continue to remain under represented and their success continue to remain invisible and unacknowledged. It is expected that increased women access to micro finance would increase their income which would in turn translate to improved wellbeing and a wider change as well as enhance gender equality (Basu, 2016). Management skills and lack of occupational experience in related businesses for many women entrepreneurs has been indicated as a constraint to growth. Kibas (2016) identified lack of opportunities for management training, financial management, marketing and people management, to be limitations faced by most women entrepreneurs.

The failure of many women to exploit fully the services offered to them by the Micro finance institutions may influence the growth of women owned enterprises. Despite a multitude of studies devoted to the topic, the effect of microfinance intervention on the performance of women owned enterprises remains largely unexplored in Rwanda. Therefore, this study will seek to establish the effect of services provided by micro finance institutions on growth of women owned

enterprises in Rubavu District by examining changes in financial growth, social status of the women and empowerment effects such as increase in profits, increase in sales turnover, increased asset ownership, employment opportunities among others.

1.3 Research Objectives:

The general objective of this study was to establish the influence of micro finance services on growth of women owned enterprises in Rwanda.

1.3.1 Specific Objectives:

This study was guided by the following objectives:

1. To assess the influence of access to credit facilities from microfinance institution on growth of women owned business enterprises.
2. To establish the influence of training and investment advisory services from microfinance institutions on growth of women owned enterprises
3. To examine the influence of micro savings from microfinance institutions on growth of women owned business enterprises

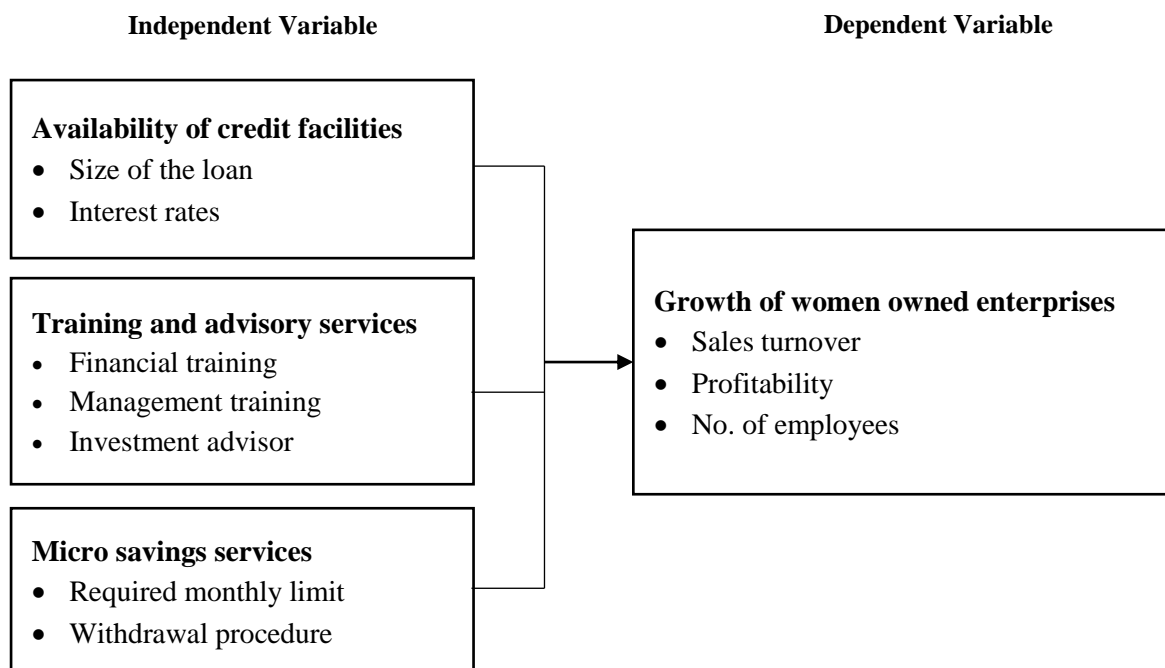
1.4 Research Questions:

The research sought to answer the following questions.

1. What is the effect of access to credit facilities from microfinance institutions on growth of women business enterprises?
2. How does the training and investment advisory service from microfinance institutions influence growth of women enterprises?
3. How does the micro-savings in microfinance institutions influence growth of women owned business enterprises?

2. CONCEPTUAL FRAMEWORK

The following figure gives a brief summary on the relationship between the independent and dependent variables used



Primary data: Researcher 2018, Conceptual framework

2.1 Empirical Review:

The empirical review of literature presents a discussion of studies in line with the study objectives. This section thus presents a discussion of studies in line with the study objectives to facilitate in the identification of the research gap that the study will aim at bridging.

2.1.1 Access to business finance and women owned enterprises:

Women entrepreneurs lack adequate physical capital (loan access and savings) for business as well as human capital (skill acquisition and education) and bonding which force them into quest for micro-finance (Ibru, 2009; Kuzilwa, 2015). According to (Antoncic, 2016; Brata, 2014) Unemployment, low household and business income, lack of asset collateral required by conventional banks, high interest rates, their inability to save, small nature of their firms, age of their firms and type of industry they engage in they generate less profit, less sales turnover relative to men and have low survival rate due to low start-up capital, and are less growth oriented.

2.1.2 Effects of training and advisory services on women owned enterprises:

Walter and Dohse, (2009) define entrepreneurship training as the building of knowledge and skills in preparation for starting a business. Thus, the purpose of entrepreneurship training is very specific. Drucker (2015) argued that entrepreneurship is a practice and that “most of what you hear about entrepreneurship is all wrong. It’s not magic, it’s not mysterious, and it has nothing to do with genes. It’s a discipline and, like any discipline, it can be learned.”

Storey, (2014) argues that it is just a minimal group of enterprises germinating rapidly who provide the real increase in jobs and therefore it is these firms which policy makers should be converging upon. However, identifying how small businesses can be transformed into growth-orientated firms remains elusive and despite the magnitude of research on growth firms, researchers remain uncertain regarding why some firms grow and others do not when originating from similar circumstances. Ledgerwood (2010) argued that start-up business needs more than financial services. They need skills, training or other inputs to make their enterprises a success.

2.1.3 Effects of micro savings on women owned enterprises:

Women Economic Development Corporation (WEDCO) had adopted the village banking methodology of lending, which involves working with existing groups, mainly of women, registered with the Ministry of Culture and Social Services. It uses the minimalist approach in lending to these women groups. Thus, credit is seen as the single most important factor in the development of Mses.

Despite its importance, saving trends in Kenya have not been steady for the last two decades. Gross domestic savings (GDS) as a percentage of Gross Domestic Product (GDP) range between 3.6% and 24.9% with Growth Domestic Investment (GDI) being between 7.7% and 25.0%. In the last two decades, GDS has been below GDI. This suggests in part that resources accumulated locally are inadequate for the country’s investment needs. The external debt crisis of the 1990s coupled with the already widely acknowledged limitations of external donor financing (for example, tying of aids in various forms) emphasizes the need to increase business domestic savings.

2.2 Research gap:

A number of studies have been conducted on microfinance services. Copstake et.al (2010) did a study on the impact of microcredit on poverty in Zambia. The programme was not directed towards the poorest business operators but one third of the clients who were below national poverty line. It has also been observed that small increases in women’s income are also leading to a decrease in male contribution to certain types of household expenditure. Rahman (2009) using anthropological approach with in-depth interviews, participant observations, case studies and a household survey in a village, finds that between 40% and 70% of the loans disbursed to the women are used by the spouse and that the tensions within the household increases (domestic violence).

Locally, Musonera (2015) found that micro finance institutions are seen as avenues through which development can be channeled to reduce poverty and improve peoples’ livelihoods. From the above review limited studies have concentrated on the effect of micro finance services on growth of women owned enterprises in Rwanda. This study therefore sought to fill this research gap.

3. RESEARCH METHODOLOGY

3.1 Research design:

A descriptive and explanatory survey approach was adopted to obtain information concerning sustainability of women owned enterprises. The purpose of descriptive and explanatory was basically to observe, describe and document aspects of situations as it naturally occurred and also to give an opportunity for gaining insights into the study population and the variables studied. It also allowed for causal explanations and univariate, bivariate, and multivariate analysis which allowed determination of relationships of variables by the use of factor analysis and multiple regressions.

3.2 Target population, Sampling Frame and Sample size:

3.2.1 Target Population.

The study targeted 1200 women entrepreneurs within Rubavu district who were registered by Ministry of Trade in the region to operate businesses.

3.3 Sample Frame and Sample size:

According to Mugenda and Mugenda (2010), a sample of 10-30% is good enough if well-chosen and the elements in the sample are more than 30. Mugenda and Mugenda (2010) further explain simplified formula for calculating sample size of a population that is less than 10,000 as below:
$$nf = \frac{n}{1 + \frac{n}{N}}$$

Where: nf = the desired sample size when the population is less than 10,000,

n = the desired sample when the population is more than 10,000

N = the estimate of the population size

$$nf = \frac{475}{1 + \frac{475}{10000}} = 120$$

This gives a sample size of 120 respondents as indicated in the table 3.2 below.

Table 3.1: Sampling Frame

Category	Frequency	Sample Proportion	Sample size
Hotels/restaurant	90	10%	9
Rental	80	10%	18
Cosmetics/beauty	120	10%	12
Cereals	180	10%	18
m/v spare parts	120	10%	22
Agri-business	240	10%	24
Merchandise	90	10%	9
Transport	180	10%	18
Total	1200		120

3.4 Data collection Instruments, processing and analysis:

3.4.1 Collection of Primary and Secondary data:

Primary data was collected using questionnaires that were employed and quantitative data was collected by use of desk review.

3.4.2 Descriptive and Regression analysis:

Descriptive statistics (frequency analysis) was performed for presenting and analyzing the data. Quantitative data was analyzed through the use of statistical techniques such as frequency counts, percentages, arithmetic means, modes, pie charts and tabulation to show differences in frequencies. Statistical Package for Social Sciences (SPSS) versions 20.0 was used to aid in coding, entry and analysis of quantitative data obtained from the closed ended questions. Multiple regressions were also used to determine the prediction factor of dependent variable caused by independent variables.

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction:

Descriptive statistics such as mean and standard deviation were used to analyze the data. Regression analysis was used to test the relationship between the variables under study in relation to the objectives of the study. Analysis of variance (ANOVA) was used to confirm the findings of regression

4.2 Response Rate:

From the data collected, out of the 120 questionnaires administered, 90 were filled and returned, which represents 75% response rate. This response rate is considered satisfactory to make conclusions for the study. The data collection procedures adopted by the researcher attributed to high response rate, where the researcher pre-notified the potential participants (women entrepreneurs) of the intended survey, utilized a self-administered questionnaire where the respondents completed, and these were picked shortly after and made follow up calls to clarify queries as well as prompt the respondents to fill the questionnaires.

Table 4.1: Response rate

Response	Frequency	Percentage
Questionnaire returned	90	75.0
Questionnaire unreturned	30	25.0
Total	120	100.0

4.3 Demographic Information:

The study sought to establish the demographic data of the respondents. The research begun by a general analysis on the demographic data got from the respondents which included; - type of business, age, marital status, nature of business, duration of business existence, form of business ownership, academic qualification of the respondents, number of competitors. This research targeted 120 participants in regard to establishing the factors affecting sustainability of women owned SMEs and 90 questionnaires were generated

4.3.1 Age of the respondents:

The study sought to determine the distribution of age among the study respondents.

Table 4.2: Age of respondents

Years	Frequency	Percentage	
Valid	<25	10	11.1
	26-35	45	50
	36-44	20	22.2
	45 - 54	10	11.1
	55 years and above	5	5.6
	Total	33	100

Source: Primary data, 2018

The study findings are almost similar to a study done in America by Muijanack, Vroonhof and Zoetmer (2011) who determined that the optimum age for entrepreneurs was 25- 35. The age of 25-35 is therefore the age at which entrepreneurial capacity of the respondents was active.

4.3.2 Education level of respondents:

The study further sought to determine the distribution of education qualifications among the respondents.

Table 4.3: Education level of respondents

	Frequency	Percentage	
Valid	No education	0	0
	Primary level	20	22.2
	Secondary level	45	50.0
	Tertiary level	15	16.7
	University level	10	11.1
	Total	90	100.0

Source: Primary data, 2018

4.3.3 Nature of Business:

The study investigated the nature of the business that the respondents were running.

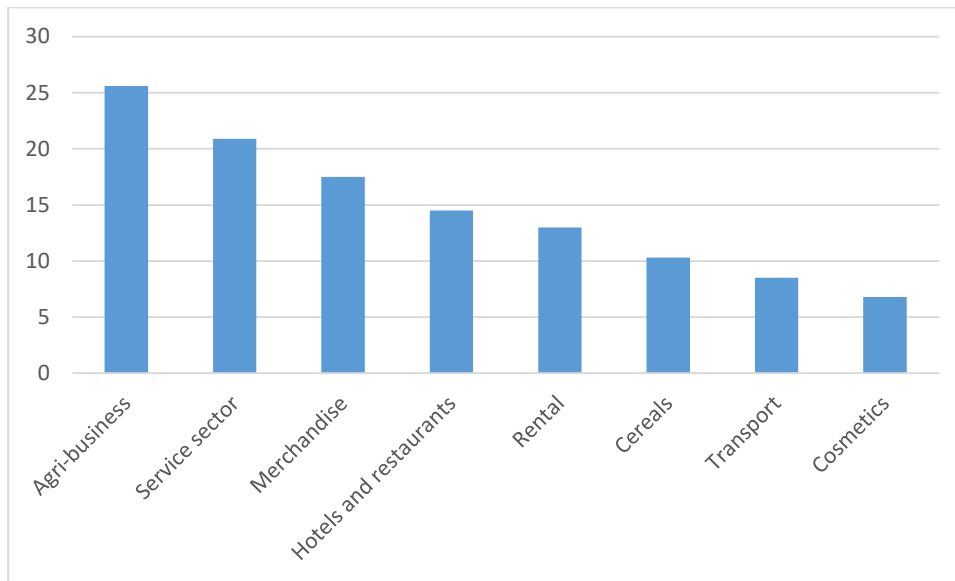


Figure 4.1: Nature of Business

The descriptive statistics also show that majority 30 (25.6%) of the target enterprises were in Agri-business, followed by service sector enterprises at 28 (20.9%), and merchandise at 20(17.5%) others includes Hotels and restaurants 17(14.5%), rental 15 (13%), cereals 12 (10.3%), transport 10(8.5%) and lastly cosmetics 8 (6.8%) as shown in figure 4.2 below. This could be attributed to the fact that Rubavu is agricultural oriented hence requiring relatively lower initial investment capital as compared to manufacturing and service sectors thereby reducing barriers to entry (Moore et al., 2011).

4.3.4 Duration of Time Business has been In Operation:

Twenty (22.2%) of the respondents have been in operation for between 5 and 8 years, 25 (27.7%) have been in operation for between 2 and 4 years, 30 (33.3%) have been in operation for less than 2 years, 15 (16.7%) have been in operation for between 8 and 10 years as shown figure 4.3. This result indicates that the majority in Rwanda (41.7%) have operated for less than ten years. This result is consistent with previous empirical studies on the age of SMEs in South Africa by Rwigema and Karungu (2012), in a study of SMEs in Johannesburg, stipulate that forty seven percent (47%) of enterprises surveyed had operated between one and ten years

4.3.5 Current Ownership of the Respondents Business:

It was important for the study to establish the current ownership of business. In order to do this, the respondents were asked to indicate their current ownership of business and the responses were tabulated and presented on Table 4.7.

Table 4.4: Current Ownership of the Respondents Business

		Frequency	Percent
Valid	Family Owned	50	55.6
	Co-owner	7	7.9
	Partner	20	22.2
	Manager	13	14.4
	Total	90	100.0

Source: Primary data, 2018

4.4 Descriptive statistics:

The researcher further presented the descriptive data for the study in this section where tables and other graphical presentations as appropriate were used to present the data collected for ease of understanding and analysis.

4.4.1 Microcredit access and growth of women entrepreneurship:

The results about the access to credit were presented first. It was established that all the respondents (100%) had accessed the micro credit facilities in the last five years.

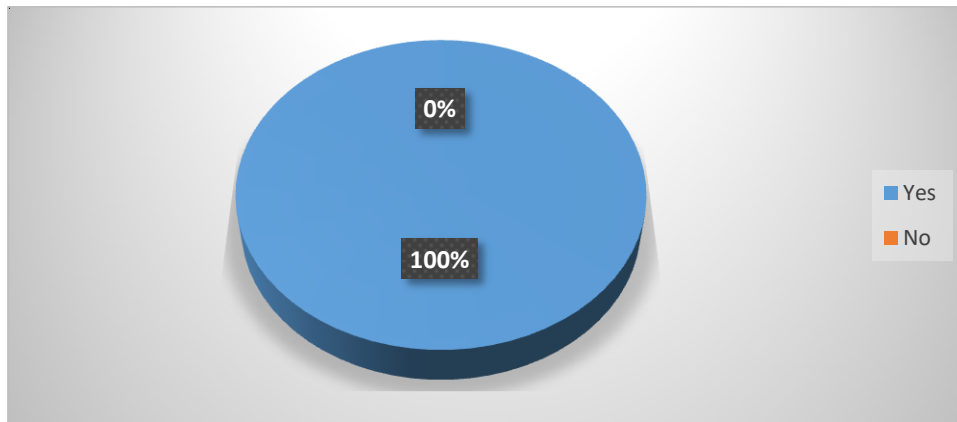


Figure 4.2: Accessed micro credit facilities in the last five years

The researcher further sought to establish the amount of loan given to the women entrepreneurs. The results were presented in Table 4.8. It was established that Majority (43.3%) of the respondents were able to receive an average loan of between RWF 5,001,000,000 – 7,500,000 in the last five years. Those who received RWF 2,500,001- 5,000,000 were (12.2%), (20%) received less than RWF 2,500,000, 16.7% received between RWF 7,500,001-10,000,000 while those who received more than RWF 10,000,000 were only 7.8%. This was encouraging since such amounts could provide the enterprises with a strong base for business initiation.

Table 4.5: Loan provided by microfinance institutions to women entrepreneurs

		Frequency	Percent
Valid	<2,500,000	18	20.0
	2,500,001- 5,000,000	11	12.2
	5,000,001 – 7,500,000	39	43.3
	7,500,001-10,000,000	15	16.7
	>10,000,000	7	7.8
	Total		90

Source: Primary data, 2018

The researcher also sought to establish the reason for accessing the loans. It was established that majority (99%) had obtained loan for business expansion while 1% had accessed loan for starting business. This means that MFIs are contributing a lot for expansion of old businesses as well as to start the new small-scale businesses

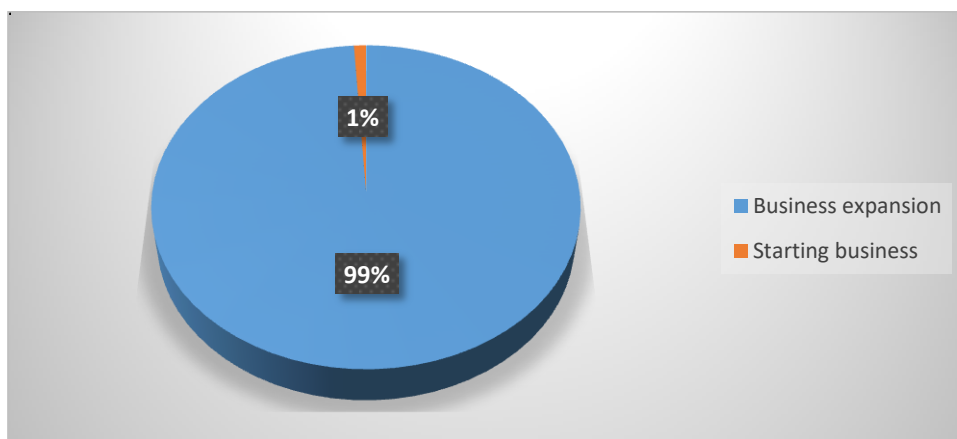


Figure 4.3: Reason for accessing loan

Table 4.6: Respondents opinion on loans

Statements	1	2	3	4	5	Mean
The size of the loan issued is sufficient for the purpose	79%	12%	0%	3%	6%	3.89
The interest rates charged are affordable	82%	6%	0%	82%	3%	3.99

From Table 4.9 majority (79%) of the respondents strongly disagreed with the statement that the size of the loan issued is sufficient for the purpose while only 3% agreed. Also, majority (82%) strongly disagreed with the statement that the interest rates charged are affordable implying that most of the respondents were not comfortable with the interest rate. Only 3% strongly agreed that the interest rates were affordable

4.4.2 Training / advisory services and growth of women entrepreneurship:

The second objective for this study was to establish the influence of training and investment advisory services from microfinance institutions on growth of women owned enterprises. To achieve this objective the respondents were first requested to indicate whether they had ever received any form of training or advisory service from the institution in the last five years. The results were presented in Figure 4.5. It was established that most (82%) of the respondents had received training service from the institution while 18% had not received training. This shows that the women had the information required for management of business enterprises.

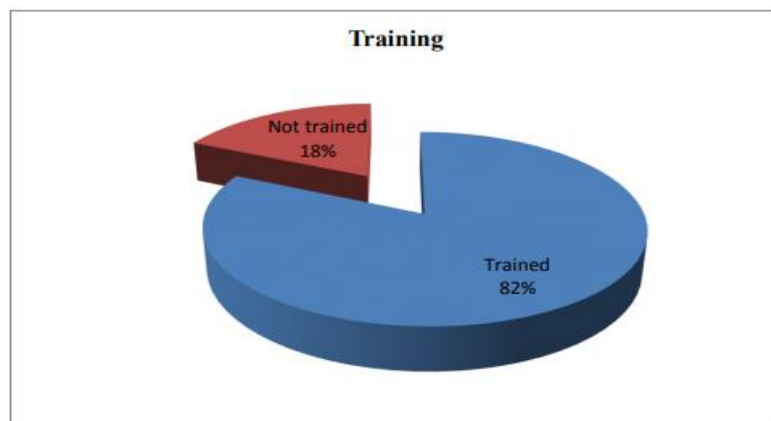


Figure 4.4: Training received

Further the respondents were required to indicate the form of training they had received. It was established that all (100%) respondents had received training on financial, management and advisory services. The respondents were also required to rank the services they had received using a scale of 1-5 where 1- Very low 2 - Low, 3 – moderate, 4 – High and 5 – Very high as shown in Table 4.10.

Table 4.7: Ranking of training received

Statements	1	2	3	4	5	Mean
Financial training	79%	12%	0%	3%	6%	3.89
Management training	82%	6%	0%	82%	3%	3.99
Investment advisory service	0%	3%	0%	79%	19%	4.13

Majority (39.7%) and (37.7%) indicated that management training and financial training ranked high and very high respectively while investment advisory was moderate (27.4%).

4.4.3 Micro savings and growth of women entrepreneurship:

The last objective for this study was to examine the influence of micro savings from microfinance institutions on growth of women owned business enterprises. To achieve this objective the researcher first sought to establish whether the women entrepreneurs had any kind of micro savings with MIFs. The results were presented in figure 4.2. From this figure majority (60.4%) of the respondents had some savings with the micro finance institutions while only 39.6% had no savings. Some save for other uncertainties rather than access to credit

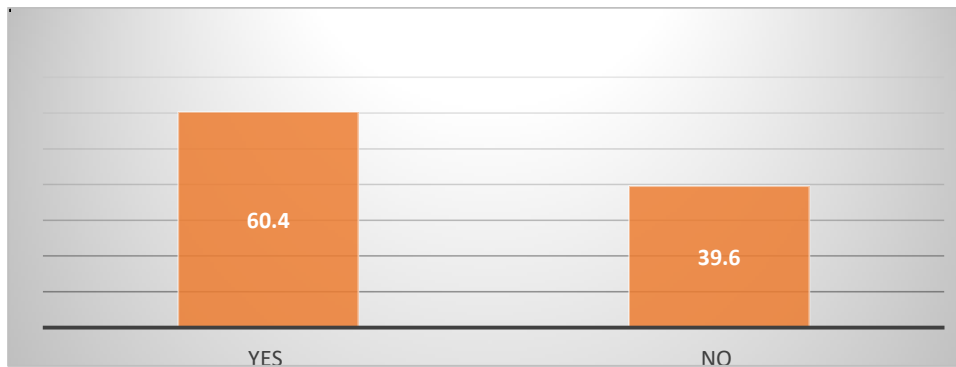


Figure 4.5: Those with savings

The researcher further sought to establish the average amount that the respondents had saved in the last five years.

Table 4.8: Average amount women entrepreneurs saved in the last five years.

		Frequency	Percent
Valid	<500,000	18	20.0
	500,001- 1,000,000	11	12.2
	1,000,001 – 2,500,000	39	43.3
	2,500,001-5,000,000	15	16.7
	>5,000,000	7	7.8
	Total		90

Source: Primary data, 2018

The researcher further sought to establish the extent to which the respondents agreed with the statement given in Table 4.12 concerning women enterprises savings in a scale of 1-5 where 5= Very great extent; 4 Great extent; 3= Moderate extent; 2= Low extent and 1=Very low extent.

Table 4.9: Respondents opinion on savings

Statements	1	2	3	4	5	Mean
There is required monthly limit in savings	6%	12%	0%	22%	60.0%	3.89
Savings and withdrawal procedures are simple	3%	6%	0%	82%	82%	3.99

The results in Table 4.12 shows that majority (60%) of women entrepreneurs indicated that to a very great extent, there is required monthly limit in savings while 6% indicated to very low extent. On the other hand, majority (82%) to a great extent indicated that savings and withdrawal procedures are simple while 3% indicated very low extent

4.5 Correlations analysis:

To quantify the relationship and strength of the relationship between the variables, the study used Karl Pearson's coefficient of correlation. The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear association between two variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases.

Table 4.10: Correlation Matrix

		Loan access	Micro saving	Training / advisory services	Business Growth
Loan access	Pearson Correlation	1			.852**
	Sig. (2-tailed)	.000			.000
	N	90			90
Micro saving	Pearson Correlation	.648**	1		.633**
	Sig. (2-tailed)	.000			.012

	N	90	90		90
Training / advisory services	Pearson Correlation	.7143**	.408**	1	.774**
	Sig. (2-tailed)	.000	.001		.000
	N	90	90	90	90

** level of significance 2 tailed

4.6 Regression Analysis

The researcher further sought to establish the contribution of each of the independent variables; (loan access, micro savings and training) to the growth of women owned business enterprises.

4.6.1 Model summary:

In the model summary Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variables.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742 ^a	.694	.668	.130
a. Predictors: (Constant), Loan access, Micro savings and Training				

From the findings as shown in the table the value of adjusted R squared was 0.668 an indication that there was variation of 66.8% on the growth women owned enterprises due to changes in microcredit, micro savings and training provided by MFIs at 95% confidence interval. R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in the table below there was a strong positive relationship between the study variables as shown by 0.734

4.6.2 The Analysis of Variance (ANOVA):

To determine whether the overall regression model was a good fit for the collected data, an ANOVA was done. The ANOVA analysis is intended to investigate whether the variation in the independent variables explain the observed variance in the outcome – in this study growth of women owned enterprises .

Table 4.12 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.549 ^a	3	.549	10.01	.000 ^b
	Residual	10.379	8	.017		
	Total	10.923	11			
a. Dependent Variable: growth of women owned business enterprises institutions						
b. Predictors: (Constant), Loan access, Micro savings and Training						

The

ANOVA results established the significance of the regression model from which an f-significance value of $p < 0.001$ was established implying that the model has a less than 0.001 likelihood (probability) of giving a wrong prediction. Hence the regression model has a confidence level of 95%. The output in this case is presented in the table 4.15

4.6.3 Regression coefficients:

The regression model was used to establish the relationship between the independent variables and the dependent variables. The coefficients in regression model were presented in Table 4.16

Table 4.13: Coefficients of the regression model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.664	.114		1.973	.000
	Loan access	.822	.054	.471	1.815	.001
	Trainings	.741	.056	.449	3.616	.000
	Micro savings	.234	.521	.821	.850	.001

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the study:

The study sought to find out the influence of micro finance services on growth of women owned enterprises in Rubavu District. The study found that micro finance services have positive and significant influence on growth of women owned enterprises

The first objective of the study was to assess the influence of access to credit facilities from microfinance institution on growth of women owned business enterprises On the first objective of the study on influence of access to credit facilities from microfinance institution on the growth of women owned enterprises, the study established that all of women entrepreneurs were able to access microcredit facilities but most of them strongly disagreed that the size of the loan issued was sufficient. A further majority of the respondents also strongly disagreed that interest rates charged by MFIs are affordable

The second objective was to establish the influence of training and investment advisory services from microfinance institutions on growth of women owned enterprises. From the study, it was clearly indicated that majority of the respondents had received training on financial, management and advisory services while a few had not received any form of training. Also, management training was ranked highest as the most kind of training that had influence on growth of women owned enterprises. This was followed by financial training followed by investment advisory which was moderate.

The third objective of the study was to examine the influence of micro savings from microfinance institutions on growth of women owned business enterprises. On the last objective which sought to find out the role of micro savings on the growth of women entrepreneurship a majority of the respondents indicated had some savings with the micro finance institutions.

The study also established that all the independent variables (loan access, micro savings and training) were all significant and that they positively influenced growth of women owned business enterprises. The study established that a unit change in loan access will lead to a change in growth of women owned business enterprises. It was also established that a change in micro savings will lead to a change in growth of women owned business enterprises. Also a unit change in trainings will lead to a change in growth of women owned business enterprises. It was also established from the model the coefficients of determination R square that the independent variables (loan access, micro savings and training) significantly explained the variation in the dependent variable (growth of women owned business enterprises thus fulfilling the goodness of fit test).

5.2 Conclusions:

The findings of study assert that the growth of women enterprises in Rubavu is due to changes in Microcredit, Micro savings and training/advisory services provided by MFIs. The results show that there is a strong positive relationship between the micro finance services and growth of women owned enterprises.

The study further concludes that there was a positive effect of access to credit facilities from microfinance institutions to growth of women business enterprises. The 50 access to loan facilities has the highest association with the growth of women business enterprises compared to the other variables. There was also a positive association between trainings and investment advisory service and microfinance institutions influence growth of women enterprises. However the association was lower than loan access though it was higher than micro savings. Lastly there was an association between micro savings and the growth of women enterprises though it was lower than access to savings and trainings and investment advisory service.

5.3 Recommendations:

(i) It is therefore recommended that financial institutions should increase the amount of loans to the women enterprises to increase access to loan facilities. Also, the regulators of micro finance institutions should have a policy that will regulate the rate of interest charged by MFIs

(ii) The study also recommends that MFIs to enhance women training mostly to enhance their skills. The leaders in the women enterprises should be trained and advised more on investment as the results in this study indicated that investment advisory was moderate

5.4 Areas for further research:

The study recommends further research on;

- (i) The influence of other micro finance services such as micro insurance and group savings on growth of women owned enterprises.
- (ii) The factors influencing the effectiveness of training and investment advisory services from microfinance institutions on growth of women owned enterprises.

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